

February 8, 2002

FORMER MOTOROLA CONTROLLER PLEADS GUILTY TO \$2.5 MILLION FRAUD

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and MARTIN D. PHANCO, Acting Postal Inspector-in-Charge of the Chicago Office of the United States Postal Service, today made the following announcement:

LORI A. ADAMS, 37 (DOB: 9/7/64), of 22306 River Road, Marengo, Illinois, former Motorola Operations Controller, pleaded guilty today in Rockford federal court to a charge that she schemed to defraud Motorola out of more than \$2.5 million.

During the period of December 1999 through November 2000, Adams was employed at Motorola's Harvard, Illinois facility where she was the Senior Operations Controller and a Project Manager in Motorola's Personal Communications Sector business unit. During the same time that Adams was employed by Motorola as a Controller, Adams also was a corporate officer and bookkeeper of her husband's consulting business, Main Street Consulting, Inc.

In pleading guilty, Adams admitted that between December 1999 and November 2000, she submitted more than \$2.5 million in fraudulent Main Street Consulting invoices to Motorola. These fraudulent invoices charged Motorola for consulting services that were neither contracted nor performed. Adams then fraudulently obtained approval signatures for these fraudulent invoices from various project managers and submitted them to Motorola's accounts payable department, which issued payment to Main Street Consulting. During the course of her scheme, Adams actually obtained more than \$1.7 million from Motorola. At the time Motorola discovered the scheme in November 2000, Adams was awaiting payment for additional invoices totaling more than \$800,000 which she had fraudulently processed through Motorola. Adams acknowledged that her position of trust at Motorola significantly facilitated her ability to carry out the scheme.

Adams will be sentenced by United States District Judge Philip G. Reinhard on May 9, 2002 at 10:00 a.m. The charge of mail fraud to which Adams pleaded guilty carries a potential penalty of up to five years of imprisonment and a fine of up to \$250,000. Adams' actual sentence will be determined by Judge Reinhard, guided by the United States Sentencing Guidelines.

The case was investigated by the Chicago Office of the United States Postal Service. The case is being prosecuted in federal court by Assistant United States Attorney Daniel L. Olson.

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